

5.4 Net Worth Schedules

Depending on your program type, one of four Net Worth Schedules will appear:

- Title I Non-Supervised;
- Title II Non-Supervised;
- Title I and Title II Non-Supervised;
- Loan Correspondent.

5.4.1 Title I Non-Supervised Net Worth Schedule

The Title I Net Worth Schedule is used to reflect the applicable Title I Net Worth Information for the current submission. This schedule does not require data entry; all line items are auto-populated. For example, Line Item 1240: Minimum Net Worth Required is a predetermined amount; lines 500 and 180 are auto-populated from the Balance Sheet, line 1270 is the difference between 500 and 180, etc.

This schedule outlines whether the lender is above or below the Net Worth Program Requirement.

Line Item #	Account Description	Amount
1240	Minimum Net Worth Required	\$250,000
500	Stockholder's Equity (Net Worth) per Balance Sheet	\$27,023,601
180	Less: Unacceptable Assets	\$372
1270	Adjusted Net Worth	\$27,023,229
1280	Adjusted Net Worth ABOVE Program Requirement	\$26,773,229
1290	Adjusted Net Worth BELOW Program Requirement	\$0



Note: Click the **Line Item Definitions** link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.

Step 1: Verify that Line Items **500 Stockholder's Equity** & **180 Less: Unacceptable Assets** auto-populated from the Balance Sheet properly.

- If there are no errors, the data will be saved. Proceed to **Step 5**.
- If these Line Items are incorrect, proceed to **Step 2**.

Step 2: Return to the Balance Sheet by clicking the Balance Sheet tab

Step 3: Correct the appropriate Line Items (Total Equity and/or Unacceptable Assets) on the Balance Sheet.

Step 4: Return to the Net Worth page by clicking on the Net Worth tab and repeat Step 1.

Step 5: If 500 and 180 are correct, click on the 'Data Collection Form' link at the top of the page and proceed to **Section 5.6 Data Collection Form - General Information** of this manual.

5.4.2 Title II Non-Supervised Net Worth Schedule

The Title II Net Worth Schedule is used to enter the applicable Title II Net Worth Information for the current submission.

The Title II Net Worth Requirement information populates with some predetermined values (i.e. Line Item 1235: Minimum Net Worth Required) and financial information from the Balance Sheet (i.e. Line Item 500: Stockholder's Equity (Net Worth) per Balance Sheet and Line Item 180: Less: Adjusted Net Worth). The user must enter values in line items 1201, 1202, 1203, 1221 and 1222 and then click the Save pushbutton. This schedule outlines whether the lender is Above or Below the Net Worth Program Requirement.

Step 1: Enter the data on the Title II Net Worth Schedule.

Balance Sheet		Ops & Equity		Cash Flows		Net Worth		Liquidity	
Line Item #	Account Description	Amount							
1201*	FHA Servicing Portfolio	\$ <input type="text"/>							
Add FHA Originations and FHA Purchases:									
1202*	FHA Originations - Dollar amount of FHA-insured Title II mortgage loan originations during the year under audit	\$ <input type="text"/>							
1203*	FHA Purchases - Dollar amount of FHA-insured Title II mortgage loan correspondent purchases during your fiscal year under audit	\$ <input type="text"/>							
1205	Subtotal	\$ <input type="text"/>							
Subtract FHA Servicing Retained:									
1221*	Dollar amount of FHA-insured Title II mortgage loan originations retained at the fiscal year end under audit	\$ <input type="text"/>							
1222*	Dollar amount of FHA-insured Title II mortgage loan correspondent purchases retained at the end of the year under audit	\$ <input type="text"/>							
1225	Subtotal	\$ <input type="text"/>							
1231	Total	\$ <input type="text"/>							
1232	1% of Total	\$ <input type="text"/>							
1235	Minimum Net Worth Required	\$ <input type="text"/>							
1240	Net Worth Required	\$ <input type="text"/>							
500	Stockholder's Equity (Net Worth) per Balance Sheet	\$ 0 <input type="text"/>							
180	Less: Unacceptable Assets	\$ 0 <input type="text"/>							

Partial Template Shown



Note 1: Click the **Line Item Definitions** link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.

Note 2: Do not use commas or decimals when entering values on the Net Worth. The system will automatically format the commas upon clicking the Save pushbutton or clicking any tab or link. The system also rounds decimals to the nearest dollar upon clicking the Save pushbutton or clicking any tab or link.

Step 2: Verify that Line Items **500 Stockholder's Equity & 180 Less: Unacceptable Assets** auto-populated from the Balance Sheet properly.

- If there are no errors, the data will be saved. Proceed to **Step 6**.
- If these Line Items are incorrect, proceed to **Step 3**.

Step 3: Return to the Balance Sheet by clicking the Balance Sheet Tab.

Step 4: Correct the appropriate Line Items (Total Equity and/or Unacceptable Assets) on the Balance Sheet.

Step 5: Return to the Net Worth page by clicking the Net Worth tab and repeat **Step 2**.

Step 6: Once all Net Worth data has been entered, click on the appropriate pushbutton at the bottom of the page.

- To save the Net Worth page with the data that has been entered, click the Save button, and proceed to **Step 7**.
- To reset the Net Worth to the data from the last time it was saved, click the Rese button, and repeat **Steps 1 - 6**.

Step 7: The Save button saves the Net Worth template with the data that has been entered assuming there are no errors.

- If errors are generated, an error message will appear either as a pop-up message or on a separate page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it.
- If no errors are generated, the data will be saved and the user may proceed to **Step 8**.

Step 8: If all lines are correct, the Title II Net Worth Schedule refreshes with the saved data.

Step 9: Click the Liquidity tab or link and proceed to **Section 5.5 Liquidity** of this manual.

5.4.3 Title I & Title II Non-Supervised Net Worth Schedule

The Title I & Title II Net Worth Schedule is used to enter the applicable Title I & Title II Net Worth information for the current submission.

Note: Both of the Title I & Title II Net Worth Requirements display on the same page. However, the Title I and Title II Net Worth Requirements will be evaluated separately.

The Title II Net Worth Requirement information populates with predetermined values (i.e. Line Item 1235: Minimum Net Worth Required) and financial information from the Balance Sheet (i.e. Line Item 500: Stockholder's Equity (Net Worth) per Balance Sheet and Line Item 180: Less: Adjusted Net Worth). The user must enter values in line items 1201, 1202, 1203, 1221 and 1222 and then click the Save pushbutton. This schedule outlines whether the lender is Above or Below the Net Worth Program Requirement for the Title II portion of their submission.

The Title I Net Worth Requirement information populates with predetermined values (i.e. Line Item 1340: Minimum Net Worth Required) and financial information from the Balance Sheet (i.e. Line Item 1350: Stockholder's Equity (Net Worth) per Balance Sheet and Line Item 1360: Less: Adjusted Net Worth).

This schedule outlines whether the lender is above or below the Net Worth Program Requirement for the Title I portion of the submission.

Step 1: Enter the appropriate data on the Title I & Title II Net Worth Schedule. See below.

Balance Sheet Ops & Equity Cash Flows Net Worth Liquidity		
Line Item #	Account Description	Amount
TITLE II NON-SUPERVISED LENDER		
1201*	FHA Servicing Portfolio	\$ <input type="text"/>
Add FHA Originations and FHA Purchases:		
1202*	FHA Originations - Dollar amount of FHA-insured Title II mortgage loan originations during the year under audit	\$ <input type="text"/>
1203*	FHA Purchases - Dollar amount of FHA-insured Title II mortgage loan correspondent purchases during your fiscal year under audit	\$ <input type="text"/>
1205	Subtotal	\$ 0 <input type="text"/>
Subtract FHA Servicing Retained:		
1221*	Dollar amount of FHA-insured Title II mortgage loan originations retained at the fiscal year end under audit	\$ <input type="text"/>
1222*	Dollar amount of FHA-insured Title II mortgage loan correspondent purchases retained at the end of the year under audit	\$ <input type="text"/>
1225	Subtotal	\$ 0 <input type="text"/>
1231	Total	\$ 0 <input type="text"/>
1232	1% of Total	\$ 0 <input type="text"/>
1235	Minimum Net Worth Required	\$ 250,000 <input type="text"/>
1240	Net Worth Required	\$ 250,000 <input type="text"/>
500	Stockholder's Equity (Net Worth) per Balance Sheet	\$ 0 <input type="text"/>

Partial Template Shown

Note 1: The user only needs to enter data in the Title II portion of the Title I and Title II Net Worth schedule. The Title I portion of the Net Worth schedule does not require data entry.



Note 2: Click the [Line Item Definitions](#) link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.

Note 3: Do not use commas or decimals when entering values on the Net Worth. The system will automatically format the commas upon clicking the Save pushbutton or clicking any tab or link. The system does not save decimal values; any values entered with decimals will be rounded to the nearest dollar upon clicking the Save pushbutton or clicking any tab or link.

Step 2: Verify that Line Items **500 Stockholder's Equity & 180 Less: Unacceptable Assets** auto-populated from the Balance Sheet properly.

- If there are no errors, the data will be saved. Proceed to **Step 6**.
- If these Line Items are incorrect, proceed to **Step 3**.

Step 3: Return to the Balance Sheet by clicking the Balance Sheet tab or link,

Step 4: Correct the appropriate Line Items (Total Equity and/or Unacceptable Assets) on the Balance Sheet.

Step 5: Return to the Net Worth page by clicking on the Net Worth tab and repeat **Step 2**.

Step 6: Once all Net Worth data has been entered, click on the appropriate pushbutton at the bottom of the page.

- To Save the Net Worth page with the data that has been entered, click the Save button, and proceed to **Step 7**.
- To Reset the Net Worth to the data from the last time it was saved, click the Reset button, and Repeat **Steps 1 - 6**.

Step 7: The Save button saves the Net Worth page with the data that has been entered on the page, assuming there are no errors with the data that would prevent the page from saving.

- If errors are generated, an error message will appear either as a pop-up message or on another page depending on the nature of the error. Both types of error messages will indicate the basis of the error so the user can correct it.
- If no errors are generated, the data will be saved and the user may proceed to **Step 8**.

Step 8: The Title I & Title II Net Worth Schedule refreshes with the saved data.

Step 9: Click on the Liquidity tab and proceed to **Section 5.5 - Liquidity**.

5.4.4 Loan Correspondent Net Worth

The Loan Correspondent Net Worth Schedule is used to reflect the applicable Loan Correspondent Net Worth Information for the current submission. This schedule does not require data entry.

The Loan Correspondent Net Worth Requirement information populates with predetermined values (i.e. Line Item 1210: Home Office, Line Item 1211: Number of Branch Offices, and Line Item 1212: Branch Office) and financial information from the Balance Sheet (i.e. Line Item 500: Stockholder's

Equity (Net Worth) per Balance Sheet and Line Item 180: Less: Adjusted Net Worth). This schedule outlines whether the loan correspondent is above or below the Net Worth Program Requirement.

Note 1: All fields in the Loan Correspondent Net Worth Schedule are auto-populated.

Balance Sheet	Ops & Equity	Cash Flows	Net Worth	Liquidity
Line Item #	Account Description			Amount
1210	Home Office			\$63,000
Add Additional Net Worth Required for Branch Offices:				
1211	Number of Branch Offices			2
1212	Branch Office			\$25,000
1220	Branch Office Subtotal			\$50,000
1230	Total			\$113,000
1240	Net Worth Required (Lesser of \$250,000 or Total (Line 1230))			\$113,000
500	Stockholder's Equity (Net Worth) per Balance Sheet			\$0
180	Less: Unacceptable Assets			\$0
1270	Adjusted Net Worth			\$0
1280	Adjusted Net Worth ABOVE Program Requirement			\$0
1290	Adjusted Net Worth BELOW Program Requirement			\$113,000



Note 2: Click the **Line Item Definitions** link for a detailed account explanation of each line item. Enter the line item number for which you would like to retrieve a definition and click the Search pushbutton.

Step 1: Verify that Line Items **500 Stockholder's Equity** & **180 Less: Unacceptable Assets** auto-populated from the Balance Sheet properly.

- If there are no errors, the data will be saved. Proceed to **Step 6**.
- If these Line Items are incorrect, proceed to **Step 2**.

Step 2: Return to the Balance Sheet by clicking the Balance Sheet tab or link,

Step 3: Correct the appropriate Line Items (Total Equity and/or Unacceptable Assets) on the Balance Sheet and click Save.

Step 4: Return to the Net Worth page by clicking on the Net Worth tab and repeat **Step 2**.

Step 5: Verify that Line Item **1211: Number of Branch Offices** is correct.

- If this Line Item is incorrect, contact HUD by email at HSG-lender_approval@hud.gov
- If there are no errors, the data will be saved.

Step 6: For *Title II Loan Correspondents* and *Title I & II Loan Correspondents*, click the Liquidity tab and proceed to **Section 5.5 - Liquidity**. For *Title I Loan Correspondents*, click the Data Collection Form link and proceed to **Section 5.6, Data Collection Form - General Information**.